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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

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RUEHAK/AMEMBASSY ANKARA 5433

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RUCPDOG/DEPT OF COMMERCE WASHDC

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C O N F I D E N T I A L SECTION 01 OF 06 ASHGABAT 000888

SIPDIS

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E.O. 12958: DECL: 07/16/2019

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SUBJECT: TURKMENISTAN: U/S BURNS' MEETING WITH TURKMEN
PRESIDENT BERDIMUHAMEDOV

Classified By: Charge Richard Miles for reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: During an hour and a half, wide-ranging discussion on July 10, Under Secretary for Political Affairs Bill Burns and Turkmen President Berdimuhamedov touched on regional issues, including Turkmen support for the stability of Afghanistan. Other participants in the meeting included: On the American side -- Assistant Secretary for South and Central Asian Affairs Robert Blake, NSC Senior Director for Russia and Eurasia Michael McFaul, Special Envoy for Eurasian Energy Richard Morningstar, DASD for East and South Asia David Sedney, and Charge Richard Miles. On the Turkmen side -- Deputy Chairman and Foreign Minister Meredov, and Deputy Chairman Hojamammedov.

¶2. (C) Berdimuhamedov, who seemed somewhat tired, even distracted, emphasized his desire for closer relations with the United States, giving passing approval to the idea of a framework agreement establishing a bilateral, government-to-government forum to push progress in the various areas of interest to the two countries. Berdimuhamedov said he planned to attend UNGA this year and would speak at a business forum organized by the United States-Turkmenistan Business Council. Berdimuhamedov went on at some length about the large scale purchases of American equipment -- John Deere, Case, Caterpillar, Boeing -- which his government has made. He noted his recent meeting with senior executives of Honeywell and Chevron and indicated his willingness to meet others. Despite prodding by NSC Senior Director McFaul, Berdimuhamedov did not seem very interested in discussing his current difficulties with the Russians.

¶3. (C) Burns conveyed greetings from President Obama and discussed the Administration's desire to deepen the bilateral relationship. He expressed our appreciation for the support which Turkmenistan provides to the American

effort in Afghanistan including over flights, and touched on the need for a land route through Turkmenistan to allow shipments of civilian goods. Berdimuhamedov did not respond directly to the issue of shipments except to make the usual disclaimer about Turkmen neutrality, and he repeatedly emphasized the importance of working with the Ashgabat-based U.N. Center for Preventive Diplomacy. Burns emphasized the danger of Iran's current policy and attitude with regard to its nuclear program. He described the Administration's readiness to engage directly with Iran, but stressed that this offer could not remain on the table forever. He asked Berdimuhamedov to convey to the Iranian Leadership that this was an offer Iran could not afford to miss.

¶4. (C) The Under Secretary expressed his satisfaction with the recent meetings between Berdimuhamedov and representatives of major American companies. He suggested that further such meetings would be helpful. Berdimuhamedov responded positively to this.

¶5. (C) Burns concluded by describing the U.S. desire to help with the continual development of civil society in Turkmenistan. Noting that this sector would form one of the work areas of the previously mentioned bilateral forum, Burns described areas of cooperation including education exchange, health, culture, and human rights.

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¶6. (C) Special Envoy Morningstar and President Berdimuhamedov discussed briefly cooperation in the energy sector. Berdimuhamedov spoke favorably of Nabucco, but did not agree to send a representative to the signing ceremony in Ankara. "Our positive statements on Nabucco are enough," he said. END SUMMARY.

RAMBLING MAN: THE REGION

¶7. (C) President Berdimuhamedov took up most of the first half hour of the conversation with a rambling account of Turkmenistan's relationships with neighboring countries and Azerbaijan. He described Turkmenistan's interest in Azerbaijan in positive, but general terms and then turned his attention to Afghanistan. Describing the situation there as "very important", he listed the various ways in which Turkmenistan has helped - providing subsidized electricity (he praised USAID involvement in this sector), building a hospital and clinics in the Turkmen-inhabited regions, and providing educational opportunities for Afghan students. Berdimuhamedov commended the work of the U.N. Center for Preventive Diplomacy headquartered in Ashgabat. Establishment of the Center was "the greatest achievement of our State," he said, raising a theme he repeated several times during the meeting.

IRAN

¶8. (C) Berdimuhamedov emphasized the historic good relations between Turkmenistan and Iran. "Iran has never interfered in our internal affairs, and we do not interfere in theirs," a mantra he repeated several times during the discussion. "There are two issues with regard to Iran," he said:

--Iran's nuclear program: "If they pursue nuclear energy under the supervision of the IAEA, then this should not present a problem," he said, blithely ignoring what might happen should Iran not do this.

--Elections: As for elections, he said they have their own way of doing things. COMMENT: The rapidity of the

President,s speech did not allow the interpreter to translate this remark. END COMMENT. They have the usual institutions, he said with a shrug, but the country does need a leader.

Berdimuhamedov then digressed with a few remarks about the numerous advantages which would result from realization of the idea of a rail link from the Persian Gulf, through Turkmenistan and on to Russia and Europe.

AZERBAIJAN AND CASPIAN DELIMITATION

¶9. (C) President Berdimuhamedov returned to Azerbaijan. He said that he and President Aliiev respect each other and have established "very good" relations, especially recently. "The only issue between us is delimitation," said Berdimuhamedov. Berdimuhamedov said he had just asked the head of SOCAR, the Azeri State oil company, to renew the negotiations on delimitation. The discussions will continue in Baku July 16-17. He repeated that he and Aliiev understood each other but that there were some legal issues to be resolved. Berdimuhamedov said that delimitation was important, and that resolving it will open the way for NABUCCO.

¶10. (C) Berdimuhamedov then re-told, (as he has in

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every meeting which the Charge has attended), the story of Russia and the other attending countries thwarting the idea he presented at the Tehran Summit in 2007 for a simple solution to the issue of Caspian Sea delimitation.

REGIONAL WATER ISSUES

¶11. (C) Berdimuhamedov discussed briefly Central Asia,s regional water issue, using this to again emphasize the important role of the U.N. Center for Preventive Diplomacy. This was followed by a digression on the so-called Turkmen Lake - A huge body of water in the Karakum Desert designed to catch and store "waste" water from irrigation run-off.

IT'S THE ECONOMY, SORT OF

¶12. (C) Berdimuhamedov admitted that the global financial crisis had affected Turkmenistan, but he also described at some length the preparatory measures which the Turkmen Government had taken to soften the effect of the crisis. Then he described the large purchases the Government had made of John Deere, Case , Caterpillar, and Boeing equipment. With regard to Boeing, he said that Turkmenistan had received proposals from many countries; he then stated emphatically, "we won,t change."

¶13. (C) Berdimuhamedov returned to the energy sector. In a somewhat disorganized manner, he described Turkmenistan,s oil and gas resources, emphasized Turkmenistan,s policy of diversification, and dwelled on the economic benefits of the TAPI pipeline. He repeated the mantra of only Turkmen companies "with the exception of the Chinese" exploiting the on-shore resources. In a slightly different twist to the usual justification for allowing the Chinese to work on shore, i.e., to enable infrastructure development, he added another - "the first President (Niyazov) made that decision."

¶14. (C) Berdimuhamedov mentioned the fact that no gas was being sent to Russia but did not expand on this. He said that bids will be opened under the terms of the international tender for the East-West pipeline on July 27, and that several American companies were taking part. COMMENT: The Embassy has no knowledge of the American companies. END COMMENT. Berdimuhamedov described his recent meetings with the senior executives of Chevron and Honeywell. He said he was prepared to meet with others and

that they will continue their dialog with the American companies. He mentioned ConocoPhillips in this regard.

UNGA, UNITED STATES - TURKMENISTAN BUSINESS COUNCIL

¶15. (C) Berdimuhamedov said that he planned to attend this year,s UNGA, and that they would organize a business meeting in America at that time.

¶16. (C) NSC Senior Director McFaul asked Berdimuhamedov about gas to Russia. Berdimuhamedov side-stepped the question by re-telling, at some length, the story of the rupture in the gas pipeline several months ago. COMMENT. Berdimuhamedov said nothing about current negotiations with the Russians over price and supply of gas, nor did he mention his upcoming visit to Moscow. END COMMENT.

BILATERAL RELATIONS

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¶17. (C) The Under Secretary began by emphasizing President Obama,s interest in strengthening relations between the United States and Turkmenistan. Burns noted that the U.S. inter-agency delegation was a good follow on to FM Meredov,s successful visit to Washington. Senior Director McFaul said the importance of Meredov,s visit was demonstrated by the Secretary seeing him despite her recent injury, an injury sufficiently troublesome to prevent her from attending the Moscow summit. Berdimuhamedov noted his appreciation for the Secretary,s gesture and mentioned it again as the meeting concluded. Burns favorably mentioned Turkmenistan,s initiative at the U.N. on energy security as well as the U.N. Center for Preventive Diplomacy. He expressed appreciation for the shared interest of Turkmenistan of stabilization in Afghanistan. Noting the supply of electricity and the over flights, Burns said he hoped that we could build on these achievements.

NDN

¶18. (C) Burns told Berdimuhamedov of the U.S.) Russian agreement on the use of Russian territory for the transit of military supplies. He asked Berdimuhamedov to consider future land transport of civilian cargo for Afghanistan. COMMENT. Berdimuhamedov responded to this later in the discussion. His comments are included here for clarity. END COMMENT. Referring to his &really good conversation8 with General Petraeus, he said that they understood one another. He understood what General Petraeus was saying, but nevertheless Turkmenistan can,t break its neutrality. As for U.S. flights and emergency landings) the Ministry of Foreign Affairs works 24/7 and can give an answer within minutes. In case of emergency, a U.S. plane will always be able to land. Berdimuhamedov then referred once again to the U.N. Center for Preventive Diplomacy, &All the issues in the region could be settled through this center,8 he said.

IRAN

¶19. (C) Burns said that he had listened carefully to Berdimuhamedov,s description of Turkmenistan,s relationship with Iran. He said that we also recognized Iran,s right to a peaceful nuclear program, but that the issue is how to get Iran to comply with international obligations it has consistently ignored . He emphasized that there is a real danger here, and that with Iran,s current nuclear program, we can easily see an arms race in the Middle East. This would be in no one,s interest. The Under Secretary said he hoped that Berdimuhamedov would try to convince the Iranian leaders that the present

opportunity to clarify Iran,s intentions in this regard, is one they cannot afford to miss.

ENERGY SECTOR

¶20. (C) Burns welcomed Berdimuhamedov,s positive attitude toward Azerbaijan as well as his willingness to meet the senior executives of major American companies.

DEVELOPMENT OF CIVIL SOCIETY

¶21. (C) Burns described at some length the ways in which the United States could help in the development of civil society in Turkmenistan. He described the framework agreement which he had discussed with FM Meredov in Washington, civil society development being an

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important part of those arrangements.

NEW AMBASSADOR. MEETING WITH PRESIDENT OBAMA

¶22. (C) Burns said he understood that Turkmenistan wanted to have a permanent, fully confirmed Ambassador. He explained that the White House will do what it can to expedite this. Burns said that we should be able to give the Turkmen a name very soon. Burns concluded by saying that President Obama looked forward to meeting Berdimuhamedov at some point in the future.

MORNINGSTAR AND ENERGY ISSUES

¶23. (C) Special Envoy Morningstar recounted his previous meeting with Berdimuhamedov as well as his meeting with Meredov in Washington. He described the new flexibility of the American energy companies which should permit a creative role in Turkmenistan,s energy sector while preserving the boundaries of Turkmen law. Morningstar said that he had spoken to the United States - Turkmenistan Business Council. The member companies were very excited about coming to Turkmenistan to explore business possibilities - Chevron, ExxonMobile, ConocoPhillips, Marathon were all eager to do business here. In an ensuing discussion on the Ankara signing ceremony on NABUCO, Berdimuhamedov revealed that only that day, he had removed Deputy Chairman (Energy) Tagiyev and replaced him with former Turkmen State Gas Concern Director Hojamammedov. Hojamammedov would be the point of contact for Morningstar in the future, Berdimuhamedov said.

U.S.COMPANIES AND CNPC

¶24. (C) In response to S/E Morningstar,squestions about possible U.S. -- Chinese energy sector cooperation in Turkmenistan, Berdimuhamedov said, "let,s don,t get ahead of the game. Let the American companies start to work here. Show us what they can do. Let,s see some practical results, then we,ll see."

CONCLUSION

¶25. (C) Before asking Burns to extend an invitation to President Obama to visit Turkmenistan, Berdimuhamedov emphasized one last time the importance of the U.N. Center of Preventive Diplomacy. He repeated his belief that all issues in the region could be settled through this center.

¶26. (C) COMMENT: Berdimuhamedov looked tired and drawn as the meeting began. Perhaps the expanded Cabinet meeting he had chaired earlier in the day, a meeting in which the removal of energy sector Czar, Deputy Chairman Tagiyev, had been announced, had taken its toll. This may also explain his unusually rambling and sometimes disconnected remarks.

Nonetheless he seemed genuinely pleased to welcome the Burns delegation, and he actually perked up a bit as the lengthy meeting went on. The atmosphere at the meeting was certainly a friendly one.

¶27. (C) What was interesting about Berdimuhamedov,s s comments was what he didn,t say. He showed no interest whatsoever in the just-concluded summit in Moscow. He mentioned the gas stoppage to Russia but did not mention the simultaneous stoppage to Iran, and he never touched on the fact that Turkmenistan is presently living off its

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financial reserves with no energy income in sight. Payments from Russia and Iran will continue for the next two to three weeks, but at that point, will cease unless new agreements have been reached. END COMMENT.

¶28. (C) This cable has been approved by U/S Burns.
MILES